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No. 91-1690

IN THE

Supreme Court of the United States

OCTOBER TERM, 1991

JOHN F. BRENNAN,

Petitioner,

v.

ABBOTT LABORATORIES, ANDREW J. MUETTERTIES and JOSEPH N. GENESE,

Respondents.

Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

RESPONDENTS' BRIEF IN OPPOSITION

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QUESTION PRESENTED

Did the court of appeals correctly interpret Michigan law in refusing to create a new cause of action for wrongful continuation of proceedings before the Patent and Trademark Office?

RULE 28.1 LISTING

Respondents are Abbott Laboratories, Andrew J. Muetterties and Joseph N. Genese. Abbott Laboratories, an Illinois corporation, has no publicly held parent company, subsidiaries or affiliates.

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RESPONDENTS' BRIEF IN OPPOSITION

STATEMENT OF THE CASE

This case arises from events which occurred before the United States Patent and Trademark Office (PTO) but concerns only the law of the State of Michigan. Petitioner, John Brennan, and the two individual respondents, are inventors. In 1979, Andrew Muetterties and Joseph Genese developed technology for dual-rate administration of intravenous fluids (dual-rate IV), which they assigned to their employer, Abbott Laboratories (Abbott). Abbott applied

for patents on the inventions and several patents issued. One of the Abbott inventions and an invention of petitioner's eventually became the subject of Interferences 100,817 and 101,078.

Petitioner had applied for his own patent but was rejected. Petitioner amended his application twice, but, on May 29, 1981, his application was finally rejected based upon the Muetterties/Genese patent. Petitioner then amended his application to prompt an administrative proceeding in the PTO—an Interference—to determine who was the first to conceive and to reduce his invention to practice. Two Interferences were declared during which the parties made cross-charges of fraud against each other.

In January, 1986, the Board of Patent Appeals and Interferences (Board) awarded priority of invention in both Interferences to petitioner. The Board held that the Muetterties/Genese dates of conception and reduction to practice were prior to those of petitioner, but found that an attorney for Abbott had submitted a backdated request for extension of time to the Board and then averred that the request had been timely. On Abbott's cross-charge of fraud, the Board found that petitioner's counsel had prepared an "inaccurate" affidavit detailing the preparation of certain of petitioner's own exhibits, but concluded that the misstatements in the affidavit were not made with an intent to defraud. *Brennan v. Muetterties*, 230 U.S.P.Q. 145, *as corrected*, 230 U.S.P.Q. 560 (Bd. Pat. App. & Int. 1986) (Petition Appendix J). The Board never suggested that Abbott's charges of fraud against petitioner were unsupported. The Board concluded that Abbott's lawyer's actions amounted to inequitable conduct during the interference proceedings and therefore refused to award priority to Abbott, the assignee of the proven first inventors.

Abbott brought a civil action pursuant to 35 U.S.C. § 146,[1] for review of the Board's decision awarding priority to petitioner because the sanction—loss of a patent on a device which Muetterties and Genese had clearly invented—was too severe. Petitioner filed a counter-complaint against Abbott, Muetterties and Genese, as well as the chairman of Abbott's board of directors, its president and chief operating officer, its general counsel, attorneys in its Patent and Legal Departments, and other Abbott employees, asserting claims under Michigan common law for fraud, intentional infliction of emotional distress, tortious interference with contract, and abuse of process, as well as claims under the federal racketeering and antitrust acts.

The district court dismissed with prejudice petitioner's federal racketeering and antitrust claims. The court also dismissed with prejudice petitioner's claim that Abbott's filing of the § 146 action was tortious under Michigan law.[2]

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[1] 35 U.S.C. § 146 provides, in pertinent part, as follows:

> Any party to an interference dissatisfied with the decision of the Board of Patent Appeals and Interferences on the interference, may have remedy by civil action . . . . In such suits the record in the Patent and Trademark Office shall be admitted on motion of either party . . . without prejudice to the right of the parties to take further testimony.

35 U.S.C. § 146 (1990) (Petition Appendix L at A-136).

[2] Petitioner has since filed a separate action against Abbott in Michigan alleging that the filing of the § 146 action amounted to malicious prosecution. *Brennan v. Abbott Laboratories*, No. 91-120768 NZ (Wayne Cty., Mich. Aug. 8, 1991). Abbott removed this case to federal court, where it was summarily dismissed. *Brennan v. Abbott Laboratories*, No. 91-CV-74803-DT, slip op. (E.D. Mich. Jan. 10, 1992) (granting Abbott's motion to dismiss); *Brennan*, slip op. (Feb. 12, 1992) (entering judgment for Abbott). Petitioner has appealed the dismissal of his malicious prosecution claim to the Court of Appeals for the Sixth Circuit. *Id., appeal docketed*, No. 92-1336 (6th Cir. Mar. 11, 1992).

Finally, the district court dismissed petitioner's state law claim for emotional distress and his claims against all Abbott employees other than the two inventors. The district court declined to dismiss the claims for tortious interference and abuse of process.

At the conclusion of discovery, the district court, Woods, J., granted Abbott's Motion for Summary Judgment on the § 146 action, agreeing with Abbott that the Board had erred as a matter of law in awarding priority to petitioner based solely on Abbott's inequitable conduct. Abbott's position was that priority of invention must be awarded to the first inventor, and that enforceability of the patent due to inequitable conduct was a separate issue, not determinative of priority. Accordingly, the district court granted summary judgment on priority of invention to Abbott and remanded the matter to the Commissioner of Patents and Trademarks for consideration of the allegations of inequitable conduct pursuant to 35 C.F.R. § 1.259. Petitioner moved to stay the trial of his remaining counterclaims pending resolution of the issues remanded to the Commissioner. Over Abbott's objection, the stay was allowed.

Upon remand, the Commissioner referred the matter to the Board, which ignored the district court's judgment and issued another decision awarding priority to petitioner due to Abbott's inequitable conduct. *Brennan v. Muetterties*, Interf. Nos. 100,817 and 101,078 (Bd. Pat. App. & Int. May 27, 1988) (Petition Appendix H). The Board then returned the matter to the Commissioner as the district court had ordered. On July 28, 1988, the Commissioner issued an opinion rejecting the district court's reasoning on priority but deferring any action on his part until after the district court proceedings had been completed. The Commissioner conceded that neither Rule 56

(34 C.F.R. § 1.56), nor any other Rule of the PTO, gave the Board authority to award priority to petitioner. The Commissioner nevertheless offered his belief that this Court's decision in *Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co.*, 324 U.S. 806, 65 S. Ct. 993, *reh'g denied*, 325 U.S. 893, 65 S. Ct. 1189 (1945), authorized this result. *In re Muetterties, et al.*, Reissue of Patent No. 4,256,104 (Comm. Pat. & Trad. July 28, 1988) (Petition Appendix I). The Commissioner concluded by returning the matter to the district court.

By this time, the case had been reassigned within the district court. The new district judge directed the parties to submit briefs on the impact of the Commissioner's opinion. On August 3, 1989, the district court, Friedman, J., following the reasoning of the Commissioner, vacated the July 1987 summary judgment entered in favor of Abbott and instead granted summary judgment for petitioner on the § 146 action; that is, the district court reversed his predecessor's ruling and entered summary judgment on priority of invention for petitioner. That order was final and it was not appealed. The stay on petitioner's two state law counterclaims was lifted and a trial date set.

Over Abbott's objections *in limine* and at trial, petitioner introduced in evidence the Board's January 6, 1986 opinion and testified that the opinion proved that Abbott was "perjuring themselves" in the PTO. Although perjury does not satisfy any element of a claim for abuse of process, petitioner was permitted—over continuing objection—to make repeated references to the charges of perjury before the PTO and the facts surrounding those charges. During the examination of one of Abbott's former in-house attorneys, petitioner's counsel referred to and displayed before the jury exhibits relating to the alleged perjury which the district court had specifically ruled were inadmissible.

Aside from these repeated and exhaustive references to Abbott's "perjury," petitioner presented no evidence related to the claim of abuse of process. Instead, he asserted that because its attorney had lied, Abbott "lost all standing" to defend itself before the PTO and had a legal "duty to surrender" in the interference proceedings. Petitioner did not identify a single summons, writ, or order which was improperly procured or used by Abbott for something other than its intended purpose. He presented no evidence whatsoever relating to Messrs. Muetterties and Genese.

At the close of petitioner's case, Abbott moved for a directed verdict because petitioner had failed to introduce any evidence of the process of any court, or of the PTO, which Abbott had procured and subsequently misused. Abbott's Motion for Directed Verdict was taken under advisement. Abbott's motions for a special verdict form and for jury interrogatories were denied. At the conclusion of the evidence, the jury returned a verdict in favor of Abbott on the tortious interference claim and for petitioner on the abuse of process claim. Petitioner was awarded damages of $1,350,000 for mental anguish and litigation costs incurred over the alleged abuse of process, which the district court remitted to $1,171,391.13 to account for excessive costs and fees included by the jury in its award. Both parties appealed the verdicts adverse to them, and petitioner also appealed the denial of his motions for sanctions as well as the dismissal of his antitrust counterclaim.

The Court of Appeals for the Federal Circuit affirmed the jury's verdict on the tortious interference claim, which petitioner had challenged primarily on evidentiary grounds. *Abbott Laboratories v. Brennan*, 952 F.2d 1346 (Fed. Cir. 1991) (Petition Appendix A). The court of appeals also affirmed the pretrial dismissal of petitioner's antitrust claim,

finding that it contained nothing more than legal conclusions of market power which could not be presumed. The court also rejected petitioner's argument that Abbott's position on the issue of priority was so obviously devoid of merit as to warrant sanctions, observing that "the district judge to whom the case was first assigned granted Abbott's motion for summary judgment based on Abbott's position that inequitable conduct by counsel cannot direct the decision on priority of invention," 952 F.2d at 1350 (App. A at A-9, 10), and therefore declined to impose sanctions for the very argument that had been accepted by the district court in the first place.

The court of appeals also held for Abbott on the abuse of process claim, reversing the award of damages and entering judgment for Abbott. Relying principally upon an earlier decision of the district court interpreting Michigan law, *Baker Driveaway Co., Inc. v. Bankhead Enterprises, Inc.*, 478 F. Supp. 857 (E.D. Mich. 1979), the court of appeals held, as a matter of state law, that "the tort of abuse of process requires that 'one must be challenging the way that some proceeding is handled rather than the motives for its institution.' " 952 F.2d at 1356 (App. A at A-23). Although petitioner professed that his challenge was indeed to the way Abbott had handled the interference proceedings before the PTO, and not to Abbott's motives, the court of appeals found petitioner's subsequent characterization of his claim to be "contrary to his presentation." *Id.*

The court of appeals buttressed its holding on the state law issue by noting that collateral attack on the decisions of the PTO would necessarily interfere with the comprehensive system established to deal with problems in the patent process. 952 F.2d at 1357 (App. A at A-24). This was especially true in petitioner's case, since the "PTO

procedures themselves provided a remedy for Abbott's malfeasance . . . Brennan was awarded a patent although the PTO found that Brennan was not the first inventor of the subject matter." *Id.* The court of appeals concluded that Michigan cases did not support an extension of the state's tort law to encompass the challenged conduct, which was fortunate because an "additional state action would be an inappropriate collateral intrusion on the regulatory procedures of the PTO." *Id.*

Petitioner now seeks summary reversal of the order of the court of appeals and reinstatement of the jury verdict, with remand on the issue of prejudgment interest, or alternatively a writ of certiorari to achieve the same result. Petitioner does not seek review of the dismissal of his antitrust claim, the rejection of his request for sanctions under Rule 11 of the Federal Rules of Civil Procedure, or the judgment in favor of Abbott on the tortious interference claim. The sole issue on which review has been sought is whether Abbott's actions in the PTO constituted an abuse of process under the law of the State of Michigan.

SUMMARY OF THE ARGUMENT

The court of appeals held that petitioner's abuse of process claim was wrong as a matter of Michigan law. Although petitioner has recast the holding as an improper extension of a federal "Doctrine of Collateral Attack," Petition at i, 11-13, petitioner's own Statement of the Case concerns only "the common law theory of abuse of process recognized under Michigan law." Petition at 3. In petitioner's own words, the court of appeals "declined to resolve 'the broad question of whether actions in connection with federal administrative proceedings can ever provide the "process" for a common law claim' [and] opted instead, to resolve 'the narrow issue of whether the state tort action for abuse of process can be invoked as a remedy for inequitable or unsavory conduct of parties to proceedings in the Patent and Trademark Office.' " Petition at 7-8, *quoting* 952 F.2d at 1355 (App. A at A-21). There is no federal interest which warrants this Court's discretionary review of a matter of Michigan law.

Nor are there questions of preemption or conflicts of interpretation of federal law. The fact that the decision below on a matter of Michigan law is consistent with federal law does not imply that the court of appeals was compelled to its conclusion by the federal doctrine of preemption. Similarly, the fact that the decision below on a matter of state law may differ from that of another court of appeal, applying the law of a different state, does not create an inter-circuit conflict between the courts of appeal which this Court must resolve. The decision below rests entirely on a matter of state law for which, under the traditional standards for this Court's exercise of its discretionary power of certiorari, there is no basis for review.

ARGUMENT

I.

THE DECISION OF THE COURT OF APPEALS ON A MATTER OF MICHIGAN LAW DOES NOT WARRANT REVIEW.

A. Michigan Does Not Allow a Party to an Administrative Proceeding To Sue for Abuse of Process When There Has Been No Misuse of a Specific Court Writ.

Michigan has a well-developed body of law on the tort of abuse of process. Over eighty years ago, in *Spear v. Pendill*, 164 Mich. 620, 130 N.W. 343 (1911), the Michigan Supreme Court defined the cause of action for abuse of process as "the improper use of process *after it has been issued* . . . ." 130 N.W. 343, 344 (1911). This definition was reaffirmed in *Friedman v. Dozorc*, 412 Mich. 1, 312 N.W.2d 585 (1981). It remains the correct statement of Michigan law today.

The *Friedman* court noted that Michigan has never "recognized the unrestricted availability of a tort cause of action, analogous to malicious prosecution, for the wrongful initiation or continuation of civil proceedings." 312 N.W.2d at 596. Following settled Michigan law, the lower court in *Friedman* had rejected plaintiff's abuse of process claim on the express grounds that no technical process had been used:

> The tort known as abuse of process envisions extraordinary process, not merely a summons, and its use to accomplish a purpose for which it was not designed. No possessory writ, lien or body process was issued in this case.

Friedman v. Dozorc, 83 Mich. App. 429, 268 N.W.2d 673, 677 (1978), *aff'd*, 312 N.W.2d at 595.

Petitioner's theory of recovery had no element of court writ or other process, but was based solely on the improper motive which he ascribed to Abbott. Petitioner argued below that, under Michigan law, the "process" could involve the entire administrative proceeding, which he asserted had been tainted by Abbott. The court of appeals rejected petitioner's theory because there is no case in Michigan which has dispensed with the element of court-issued process.

In reaching this conclusion, the court of appeals broke no new ground. In *Rowbotham v. Detroit Automobile Inter-Insurance Exchange*, 69 Mich. App. 142, 244 N.W.2d 389 (1976), the Michigan Court of Appeals affirmed summary judgment for a defendant which had managed through wrongful administrative means to cause the cancellation of plaintiff's driver's license:

> It is somewhat incongruous that a defendant can escape an abuse of process claim with a defense that the process could not have been issued . . . Although incongruous, that is presently the status of the abuse of process tort. There is no tort of abuse of process [in this case] because there was no legitimate process to be abused.

Id. at 393.

Following *Rowbotham* and *Spear*, a federal district court in Michigan had considered and rejected state law arguments identical to petitioner's just ten years earlier. In *Baker Driveaway Co., Inc. v. Bankhead Enterprises, Inc.*, 478 F. Supp. 857 (E.D. Mich. 1979), plaintiffs brought tort claims after defendants filed a protest against a patent application, filed allegations of public use after the protest was denied, and filed a petition for institution of public use proceedings in the PTO. Plaintiffs asserted that the protests and petition were filed only to delay the in-

evitable issuance of a patent to them. Plaintiffs, like petitioner, styled their claim as one for "abuse of process" and "tortious interference with prospective contractual relationships" for taking "the actions complained of in order to delay the issuance, and with it the effect, of the patent." 478 F. Supp. at 859-60.

The *Baker* court rejected these claims because there is no recovery under Michigan law for bad motives that did not result in misuse of the mandatory powers of the courts:

> [T]he plaintiffs are challenging the defendants' substantive motives in taking the actions complained of in the patent office; nowhere are the procedures that have been utilized therein challenged.

478 F. Supp. at 860.

Thus, the court of appeals found *Rowbotham* and *Baker* determinative:

> [U]nder Michigan law the tort of abuse of process requires that "one must be challenging the way that some proceeding is handled rather than the motives for its institution."

952 F.2d at 1356 (App. A at A-23).

Petitioner's theory of the tort had no foundation in Michigan law. The decision of the court of appeals to reverse an extension of Michigan law that went beyond the bounds set by the state courts was independent of any federal interests and not an improper application of a federal "Doctrine of Collateral Attack" which simply does not exist. The Michigan case authority upon which petitioner had relied in the trial court was not persuasive to the court of appeals; the court found petitioner's cases distinguishable under Michigan law because they "do not relate to analogous administrative proceedings." *Id.* at 1356 (App. A at A-24). Purely as a matter of state law,

the court of appeals concluded that petitioner could not recover more than the patent which the PTO already had given him.

B. The Public Policies of the State of Michigan—And Not An Illogical Extension of the First Amendment—Support the Decision Below.

The court of appeals also examined the rationale for the Michigan rule which it had determined to follow, just as the *Baker* court had found support for its reading of Michigan law in the state's public policy. In *Baker*, the court held that Michigan imposed no duty upon litigants to refrain from using the procedures of the PTO to resist the issuance of the patent:

> It appears to the court that the real reason for the existence of count two and the fight that plaintiffs have waged to keep it alive is that plaintiffs feel that the procedures set up by Congress and by the patent office are inefficient ways to deal with situations like the one at bar. Plaintiff is upset that defendants have the power to assert some things in the patent office and cause a delay in the issuance of the plaintiffs' patent and, consequently, in the plaintiffs' rights of exclusivity. While it may be that a better system could have been set up which would more efficiently deal with this or other situations, the fact is that the present system is a reasonable one, it was set up by the persons and agencies charged with setting it up, and it functions at least passably well. It is not for this court to interject its opinion of what might be the optimal system to employ.

478 F. Supp. at 860.

The Michigan courts have a long history of protecting the right to defend one's self in the adversary process. In *In re Corace*, 390 Mich. 419, 213 N.W.2d 124 (1973), the

Michigan Supreme Court made clear that "our adversary system 'intends, and expects, lawyers to probe the outer limits of the bounds of the law, ever searching for a more efficacious remedy or a more successful defense.' " 213 N.W.2d at 132. *Accord Friedman v. Dozorc*, 312 N.W.2d at 593 ("Because . . . a cause of action [for abuse of process] might unduly inhibit attorneys from bringing close cases or advancing innovative theories . . . we decline to recognize a duty of due care to the adverse party").

The *Baker* court also recognized these policy arguments in *Noerr-Pennington* terms. 478 F. Supp. at 859, *citing*, *California Motor Transport Co. v. Trucking Unlimited*, 404 U.S. 508, 92 S. Ct. 609 (1972); *Eastern Railroad Presidents Conference v. Noerr Motor Freight, Inc.*, 365 U.S. 127, 81 S. Ct. 523 (1961); and *United Mine Workers v. Pennington*, 381 U.S. 657, 85 S. Ct. 1585 (1965). The *Baker* court's observations—and citations—were quoted by the court of appeals below, 952 F.2d at 1356 (App. A at A-22), but only as support for the conclusion that the alleged conduct before the PTO "is not remediable by state action in tort, at least unless it is shown that the entire federal agency action was a 'sham'." *Id.*

Petitioner has taken the *Noerr-Pennington* reference out of context and mischaracterized this case as an illogical extension of that doctrine. Petition at 15-16. The real issue, however, was whether Abbott's insistence that it be allowed to litigate the effect of its attorney's actions in the Interferences made out a tort claim under Michigan law. In Michigan, the alleged perjury was immaterial to petitioner's claim for abuse of process. In *Sage International, Ltd. v. Cadillac Gage Co.*, 556 F. Supp. 381 (E.D. Mich. 1982), the court observed:

> [T]he Court's research has failed to reveal an instance in which an allegation that defendants induced per-

> jury testimony has been held to satisfy the second element of abuse-of-process claim.

556 F. Supp. at 389.

There are sound reasons why the giving of evidence, even if false, cannot form the basis for liability. Michigan follows " 'the general rule that no civil action for damages lies for false testimony or for subornation of false testimony.' " *Rogoski v. City of Muskegon*, 107 Mich. App. 730, 309 N.W.2d 718, 720 (1981). The *Rogoski* court endorsed the rule stated at 60 *Am. Jur. 2d*, Perjury § 75, pp. 1012-13, that:

> [N]o action for damages lies for false testimony in a civil suit whereby the plaintiff fails to recover a judgment, or a judgment is rendered against him. . . . [I]f the parties to an action for giving false testimony are the same as those to the action in which the testimony was given, there can be no recovery; in such an action, estoppel by judgment would appear to be a complete defense. Otherwise, it is said, there would be no end of litigation.

Id. at 720-21.

Nor was there any finding of "perjury" below. The word does not appear in the opinion of the Board because the purpose of the interference proceedings was to test the allegations of the parties. As is true in every litigated matter, some factual assertions were accepted and others were rejected. The Board rejected Abbott's denial as a matter of fact, accepted petitioner's accusation as a matter of fact, determined what it would do as a result of those findings, and took away Abbott's patent. The court of appeals determined that the State of Michigan provided petitioner with no additional remedies.

Were the court of appeals to have decided this case as a matter of federal law, it undoubtedly would have been

guided by its decision in *Kingsdown Medical Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867 (Fed. Cir. 1988), *cert. denied*, 490 U.S. 1067, 109 S. Ct. 2068 (1989), holding that continuation of litigation following charges of fraud is not wrongful. In *Kingsdown*, pursuing a theory identical to petitioner's, Hollister asserted that Kingsdown should have disclaimed its patent as soon as it was charged with inequitable conduct, and that the refusal to disclaim was "proof of bad faith." The court of appeals rejected the argument as absurd:

> [The] suggestion that patentees should abandon their suits, or disclaim or reissue, in response to every charge of inequitable conduct raised by an alleged infringer would be nothing short of ridiculous. The right of patentees to resist such charges must not be chilled to extinction by fear that a failure to disclaim or reissue will be used against them as evidence that their original intent was deceitful.
>
> * * *
>
> Kingsdown's belief in its innocence meant that a court test of the inequitable conduct charge was inevitable and appropriate. A requirement for disclaimer or reissue to avoid adverse inferences would merely encourage the present proliferation of inequitable conduct charges.

863 F.2d at 875-76.

The court of appeals did not rely upon *Kingsdown* below, but looked instead to precedent in Michigan to determine the scope of the state law remedy. Correctly concluding that Michigan does not provide such a tort remedy, the court of appeals reversed the damage award and entered judgment for respondents as a matter of state law. There is no issue of federal law or policy to warrant this Court's discretionary review.

II.

THE DECISION OF THE COURT OF APPEALS DOES NOT PRESENT AN ISSUE OF PREEMPTION.

Petitioner argues that there is implied federal preemption in the decision not to allow tort recovery for Abbott's conduct. Yet the court of appeals predicated its review on "the district court's determination of state law." 952 F.2d at 1355 (App. A at A-21). The court buttressed its decision with reference to its policy of maintaining a uniform patent law, but those comments do not alter the court's ultimate reliance on Michigan law and do not raise a preemption issue for review in this Court.

The Federal Circuit has been granted exclusive jurisdiction, *inter alia*, over appeals from final decisions of United States district courts in civil actions "arising [in whole or in part] under any Act of Congress relating to patents." 28 U.S.C. §§ 1295, 1338 (1990).[3] The court's jurisdiction over patent-related appeals is not unlimited, *Chris-*

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[3] The Court of Appeals for the Federal Circuit was created by the Federal Courts Improvement Act of 1982, Pub. L. 97-164, 96 Stat. 25, to "provide[ ] a forum that will increase doctrinal stability in the field of patent law" and to "reduce the forum shopping that is common to patent litigation." S. Rep. 275, 97th Cong., 2nd Sess. 15 (1982). Since its creation, the court has recognized its specialized role, noting:

> The fundamental underpinning for uniformity was Congress' abhorrence of conflicts and confusion in the judicial system. That was the underlying motivation for the creation of this court, and it must remain the spirit and guiding principle of this court.

Panduit Corp. v. All States Plastic Manufacturing Co., Inc., 744 F.2d 1564, 1574 (Fed. Cir. 1984); *see also Foster v. Hallco Mfg. Co., Inc.*, 947 F.2d 469, 475 (Fed. Cir. 1991) ("[T]he need for reducing the potential for widespread uncertainty and nonuniformity in legal doctrine in [patent law] . . . was one of the fundamental purposes for establishing the Federal Circuit").

tianson v. Colt Industries Operating Corp., 486 U.S. 800, 108 S. Ct. 2166 (1988), so the court of appeals continues its mission to maintain uniformity in the field of patent law in all patent-related cases. *See Foster*, 947 F.2d at 475 (district court improperly used Ninth Circuit precedent, instead of decisions of Federal Circuit, to determine the *res judicata* effect of a consent judgment acknowledging patent's validity on later challenges). Predictably, therefore, the court of appeals supported its state-specific analysis of petitioner's abuse of process claim by reference to the various policy considerations that are the province of the Federal Circuit. Those policies are consistent with the decision of the court of appeals, but they did not command the result.

For example, the court of appeals recognized the benefits of a policy which allows administrative agencies, particularly the PTO, to decide matters properly before them without "a new system of judicial overview." 952 F.2d at 1356 (App. A at A-23). The court also expressed its belief that the PTO's regulations, which already had afforded petitioner a remedy for Abbott's alleged malfeasance by awarding him a patent on a device he did not invent, should not be subject to "an inappropriate collateral intrusion." 952 F.2d at 1357 (App. A at A-24). The policy of deferring to the expertise of administrative agencies, created specifically to provide specialized guidance on complex topics, long has been recognized by this Court. *See Martin v. Occupational Safety and Health Review Commission*, 111 S. Ct. 1171, 1175-76 (1991) (acknowledging that "an agency's construction of its own regulations is entitled to substantial deference" because "applying . . . the regulation to complex or changing circumstances calls upon the agency's unique expertise and policymaking prerogatives"), *citing*, *Udall v. Tallman*, 380 U.S. 1, 16-17, 85 S. Ct. 792, 801-802 (1965). The salutary purposes

behind these policies are identical to those which led to the decision on the issue of state tort law below, for the general rule of "judicial disfavor of collateral attack, under the common law," 952 F.2d at 1357 (App. A at A-24), is followed in Michigan. *S.S. Aircraft Company v. Piper Aircraft Corp.*, 159 Mich. App. 389, 406 N.W.2d 304, 306 (1987), *citing*, *Life Insurance Co. of Detroit v. Burton*, 306 Mich. 81, 10 N.W.2d 315 (1943).

While looking to these policy considerations as additional support for the decision below, the court of appeals did not hold that there could only be one result under federal law which preempted all state tort issues. For the decision below to raise issues of preemption, it must be read as an all-encompassing rule against any state law claims for conduct before the PTO. The court of appeals expressly disclaimed such an intent: "We need not decide the broad question of whether actions in connection with federal administrative proceedings can ever provide the 'process' for a common law claim." 952 F.2d at 1355 (App. A at A-21). Implied preemption, which results only "when the federal legislation is sufficiently comprehensive to make reasonable the inference that Congress 'left no room' for supplementary state regulation," *International Paper Co. v. Ouellette*, 479 U.S. 481, 107 S. Ct. 805, 811 (1987), *quoting*, *Hillsborough County, Fla. v. Automated Medical Laboratories, Inc.*, 471 U.S. 707, 713, 105 S. Ct. 2371, 2375 (1985), *in turn quoting*, *Rice v. Santa Fe Elevator Corp.*, 331 U.S. 218, 230, 67 S. Ct. 1146, 1152 (1947), requires that the decision below have decided the "broad question" as a matter of federal law. When the court of appeals endorsed a "general rule . . . based on judicial disfavor of collateral attack, under the common law, on proceedings before the PTO," 952 F.2d at 1357 (App. A at A-24), it based its finding on Michigan common law. There is no issue of preemption for this Court to review.

III.

THE DECISION OF THE COURT OF APPEALS DOES NOT CREATE A CONFLICT ON A MATTER OF FEDERAL LAW.

In a final effort to prompt review, petitioner raises the specter of an inter-circuit conflict. No such conflict is raised, however, by a decision of a court of appeals premised expressly upon "the district court's determination of state law." 952 F.2d at 1355 (App. A at A-21). Petitioner has attempted to recast that decision as one bearing on important federal questions; but if there is any conflict at all, it lies between decisions on Michigan tort law and those decisions grounded in the common law of other states. These "conflicts" reflect only the "permissible difference of opinion" among federal courts relying on the common law of various states. *Ruhlin v. New York Life Insurance Co.*, 304 U.S. 202, 206, 58 S. Ct. 860 (1938). Under Supreme Court Rule 10, these conflicts do not warrant this Court's attention.

For instance, in *Neumann v. Vidal*, 710 F.2d 856 (D.C. Cir. 1983), the plaintiff complained that RECO, a competing developer of earthen retaining walls, had abused the procedures of a Maryland court, as well as the PTO, by improperly opposing Neumann's claim to a patent. Like petitioner, Neumann ultimately initiated a civil action against RECO, asserting a claim for abuse of process. Unlike petitioner, however, Neumann's claim was founded on the law of the District of Columbia. Reviewing the district court's dismissal of Neumann's claim, the District of Columbia Court of Appeals held that District of Columbia law did not bar Neumann from bringing his abuse of process claim. The District of Columbia court's decision expressly was premised on District of Columbia law. In contrast, the court below found that the tort law of Mich-

igan does not provide an additional remedy for petitioner, especially when he was the prevailing party in the administrative proceedings.

Far from creating an intolerable conflict, these two cases do nothing more than demonstrate that federal courts often validly, but differently, apply two states' divergent common law. Indeed, in diversity cases, district courts must apply state law as it is, not as the court thinks it ought to be. *See Reid v. Volkswagen of America, Inc.*, 575 F.2d 1175, 1176, (6th Cir. 1978), *citing, Erie Railroad Co. v. Tompkins*, 304 U.S. 64, 58 S. Ct. 817 (1938) ("[E]ach federal court . . . functions as a proxy for the entire state court system, and therefore must apply the law that it conscientiously believes would have been applied in the state court system"). As suggested by Supreme Court Rule 10, this Court cannot review all decisions which "conflict" only because different state laws required different results.

Any conflict created by the decision below is founded on distinctions between the law of Michigan and the District of Columbia. This Court long has recognized that these state law distinctions do not compel review:

> As to questions controlled by state law, however, conflict among the circuits is not of itself a reason for granting a writ of certiorari. The conflict may be merely corollary to a permissible difference of opinion in the state courts.

Ruhlin, 304 U.S. at 206. Despite petitioner's efforts to avoid that maxim, the court of appeals' decision does not raise issues of federal law, but is premised squarely on Michigan tort law. This Court's review of Michigan law is not warranted.

CONCLUSION

Respondents respectfully request that petitioner's request for an order of summary reversal or for a writ of certiorari be denied.

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